

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7963

BILL NUMBER: SB 378

DATE PREPARED: Jan 14, 2001

BILL AMENDED:

SUBJECT: Solid waste management districts and brownfields.

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a solid waste management district may (1) identify and inventory brownfields; (2) conduct environmental assessments of brownfields; (3) design and implement environmental remediation activities for brownfields; and (4) receive loans or other financial assistance under the Environmental Remediation Revolving Loan Program.

Effective Date: July 1, 2001.

Explanation of State Expenditures: Allowing solid waste management districts to apply for funding through the Environmental Remediation Revolving Loan Program may increase demands on the fund.

Background: P. L. 59-1997 created the Environmental Remediation Revolving Loan Fund (also known as the State's Brownfields Grant and Loan Program) to provide financial assistance to political subdivisions for identification, assessment, remediation, demolition and other costs involved in redeveloping brownfields. The legislation dedicated \$10M over a three-year period for brownfield redevelopment: \$5M for FY98 and \$2.5M in each of the ensuing fiscal years (FY99 and FY00). A bi-partisan advisory committee comprised of state legislators, industry professionals, and local leaders developed guidelines for the Program; these guidelines were ratified by the IDFA Board in late 1997 and the first financial assistance provided under the Program was extended in February 1998 in the form of site investigation grants and the first low-interest cleanup loan.

The Indiana Brownfield Program is co-managed by the Indiana Department of Environmental Management (IDEM) and the Indiana Development Finance Authority (IDFA). IDFA administers the financial aspects of the program and the IDEM provides technical assistance to both municipal funding recipients and interested parties at large. Both agencies jointly provide education and outreach resources statewide.

HEA 1909-1999 augmented state-led brownfield redevelopment capabilities. The legislation prescribed

eligibility criteria to allow for the forgiveness of up to 20% of the total of a low-interest cleanup loan. The additional \$5M allocated by HEA 1909–1999 for loan forgiveness and overall assistance increased the total financial resources available to political subdivisions (cities, towns, and counties) to \$15M.

During its three years of operation, the Brownfields Program has conducted educational outreach events, including one-on-one meetings with interested parties, site visits, field investigations, local meetings and larger regional conferences. The program’s activity from January 1998 through December 2000 is listed below.

Brownfields Program Activity: January 1998 Through December 2000	
Total State Funding Committed To Brownfields	\$15M
Site Investigation Grants Awarded	85
Cleanup Loans Awarded or Committed	13
Total Amount of Grants	\$1.96M
Total Amount of Loans (Awards & Commitments)	\$5.25M
Total Brownfield Funding Awarded	\$7.21M
Counties Impacted From Funding	58
Cities/Towns/Counties Impacted From Funding	80
Non-Funded Sites Receiving Technical Assistance	32
Total Sites Receiving Assistance	102

Money in the fund remains in the fund and does not revert to the State General Fund. Expenses of administering the fund are to be paid from money in the fund.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill provides that a solid waste management district may identify and inventory brownfields; conduct environmental assessments of brownfields; and design and implement environmental remediation activities for brownfields. This provision may expand the types of expenditures that districts may incur. The specific impact will depend on local action.

Explanation of Local Revenues: This bill provides that a solid waste management district may receive loans or other financial assistance under the Environmental Remediation Revolving Loan Program. This provision may increase revenues available to districts while reducing revenues available to political subdivisions. However, it should be noted that all the funding available in the past has not been used.

State Agencies Affected: Indiana Development Finance Authority, Indiana Department of Environmental Management, State Budget Agency, and Department of Commerce.

Local Agencies Affected: Political Subdivisions and Solid Waste Management Districts

Information Sources: Calvin Kelly, Program Manager, IDFA (317) 233-9799.